

HIGHLIGHTS OF 7TH CPC RECOMMENDATIONS

(Compiled by K.V.RAMESH Sr.JGS IRTSA)

I. Minimum Pay

1. Rs.18,000 is the minimum recommended by the Commission, operative from 01.01.2016.
2. This is 2.57 times the minimum pay of ₹7,000 fixed by the government while implementing the VI CPC's recommendations from 01.01.2006.
3. Accordingly, basic pay at any level on 01.01.2016 (pay in the pay band + grade pay) would need to be multiplied by 2.57 to fix the pay of an employee in the new pay structure.
4. The real increase works out to 14.2 percent.
5. The fitment factor of 2.57 applied uniformly for all employees.

II. New Pay Structure

1. System of Pay Bands and Grade Pay has been dispensed with
2. New functional levels being proposed have been arrived at by merging the grade pay with the Pay in the pay band.
3. All of the existing levels have been subsumed in the new structure
4. No new level has been introduced nor has any existing level been dispensed with.

Existing Pay Bands	Existing GP	New levels
PB-1	1800	1
	1900	2
	2000	3
	2400	4
	2800	5
PB-2	3400	5A
	4200	6
	4600	7
	4800	8
	5400	9
PB-3	5400	10
	5700	10A
	6100	10B
	6100	10B
	6600	11
	7600	12

Existing Pay Bands	Existing GP	New levels
PB-4	7600	12
	8000	12A
	8400	12B
	8700	13
	8700	13
	8900	13A
	8900	13A
	9000	13B
	10000	14
HAG		15
HAG+		16
Apex		17
Cab. Sec.		18

5. The rate of annual increment is being retained at 3 percent.
6. The new pay structure has been devised in the form of a pay matrix to provide complete transparency regarding pay progression.
7. The pay matrix comprises two dimensions. It has a **“horizontal range”** in which each level corresponds to a **‘functional role in the hierarchy’** and has been assigned the numbers 1, 2, and 3 and so on till 18. The **“vertical range”** for each level denotes **‘pay progression’** within that level.

PAY MATRIX

Pay Band	5200-20200					9300-34800				15600-39100			37400-67000			67000-79000	75500-80000	80000	90000
Grade Pay	1800	1900	2000	2400	2800	4200	4600	4800	5400	5400	6600	7600	8700	8900	10000				
Entry Pay (EP)	7000	7730	8460	9910	11360	13500	17140	18150	20280	21000	25350	29500	46100	49100	53000	67000	75500	80000	90000
Level	1	2	3	4	5	6	7	8	9	10	11	12	13	13A	14	15	16	17	18
Index	2.57	2.57	2.57	2.57	2.57	2.62	2.62	2.62	2.62	2.67	2.67	2.67	2.57	2.67	2.72	2.72	2.72	2.81	2.78
1	18000	19900	21700	25500	29200	35400	44900	47600	53100	56100	67700	78800	118500	131100	144200	182200	205400	225000	250000
2	18500	20500	22400	26300	30100	36500	46200	49000	54700	57800	69700	81200	122100	135000	148500	187700	211600		
3	19100	21100	23100	27100	31000	37600	47600	50500	56300	59500	71800	83600	125800	139100	153000	193300	217900		
4	19700	21700	23800	27900	31900	38700	49000	52000	58000	61300	74000	86100	129600	143300	157600	199100	224400		
5	20300	22400	24500	28700	32900	39900	50500	53600	59700	63100	76200	88700	133500	147600	162300	205100			
6	20900	23100	25200	29600	33900	41100	52000	55200	61500	65000	78500	91400	137500	152000	167200	211300			
7	21500	23800	26000	30500	34900	42300	53600	56900	63300	67000	80900	94100	141600	156600	172200	217600			
8	22100	24500	26800	31400	35900	43600	55200	58600	65200	69000	83300	96900	145800	161300	177400	224100			
9	22800	25200	27600	32300	37000	44900	56900	60400	67200	71100	85800	99800	150200	166100	182700				
10	23500	26000	28400	33300	38100	46200	58600	62200	69200	73200	88400	102800	154700	171100	188200				
11	24200	26800	29300	34300	39200	47600	60400	64100	71300	75400	91100	105900	159300	176200	193800				
12	24900	27600	30200	35300	40400	49000	62200	66000	73400	77700	93800	109100	164100	181500	199600				
13	25600	28400	31100	36400	41600	50500	64100	68000	75600	80000	96600	112400	169000	186900	205600				
14	26400	29300	32000	37500	42800	52000	66000	70000	77900	82400	99500	115800	174100	192500	211800				
15	27200	30200	33000	38600	44100	53600	68000	72100	80200	84900	102500	119300	179300	198300	218200				
16	28000	31100	34000	39800	45400	55200	70000	74300	82600	87400	105600	122900	184700	204200					
17	28800	32000	35000	41000	46800	56900	72100	76500	85100	90000	108800	126600	190200	210300					
18	29700	33000	36100	42200	48200	58600	74300	78800	87700	92700	112100	130400	195900	216600					
19	30600	34000	37200	43500	49600	60400	76500	81200	90300	95500	115500	134300	201800						
20	31500	35000	38300	44800	51100	62200	78800	83600	93000	98400	119000	138300	207900						
21	32400	36100	39400	46100	52600	64100	81200	86100	95800	101400	122600	142400	214100						
22	33400	37200	40600	47500	54200	66000	83600	88700	98700	104400	126300	146700							
23	34400	38300	41800	48900	55800	68000	86100	91400	101700	107500	130100	151100							
24	35400	39400	43100	50400	57300	70000	88700	94100	104800	110700	134000	155600							
25	36500	40600	44400	51900	59200	72100	91400	96900	107900	114000	138000	160300							
26	37600	41800	45700	53500	61000	74300	94100	99800	111100	117400	142100	165100							
27	38700	43100	47100	55100	62800	76500	96900	102800	114400	120900	146400	170100							
28	39900	44400	48500	56800	64700	78800	99800	105900	117800	124500	150800	175200							

III. Pay Fixation in New Pay Structure (Example)

1. Normal fixation

An employee is in GP 4200, drawing pay of ₹20,000 in PB-2. The Basic Pay is ₹24,200 (20,000+4200).

After multiplying by 2.57, the amount fetched viz., ₹62,194 would have been located in Level 6 pay would have been fixed in Level 6 at ₹62,200.

2. Fixation on upgradation (If recommended for any specific post)

Assuming that the Commission has recommended that the post be placed one level higher in GP 4600. The Basic pay would then be ₹24,600 (20000 + 4600). Multiplying this by 2.57 would fetch ₹63,222.

This value would have to be located in the matrix in Level 7 (the upgraded level).

In the column for Level 7 ₹63,222 lies between 62200 and 64100. Accordingly, the pay will be fixed in Level 7 at ₹64,100.

IV. Entry Pay

	GP	Entry Pay 6th CPC	Entry Pay 7th CPC	No. of times increase given
PB-1 5200 - 20200	1800	7000	18000	2.57
	1900	7730	19900	
	2000	8460	21700	
	2400	9910	25500	
	2800	11360	29200	
PB-2 9300 - 34800	4200	13500	35400	2.62
	4600	17140	44900	
	4800	18150	47600	
	5400	20280	53100	
PB-3 15600 - 39100	5400	21000	56100	6.67
	6600	25350	67700	
	7600	29500	78800	
PB-4 37400 - 67000	8700	46100	118500	2.57
	8900	49100	131100	2.67
	10000	53000	144200	2.72
HAG		67000	182200	2.72
HAG+		75500	205400	2.72
Apex		80000	225000	2.81
Cabnit Secy		90000	250000	2.78

V. Compression Ratio: This Commission has recommended a minimum pay of ₹18,000 at entry level in Group 'C' and ₹56,100 as entry pay at Group 'A' level. **The compression ratio is thus arrived at 1: 3.12**

VI. MACP

1. Will continue to be administered at 10, 20 and 30 years as before. In the new Pay matrix, the employees will move to the immediate next level in the hierarchy.
2. **Benchmark for MACPS enhanced from 'Good' to 'Very Good.'** In addition, introduction of more stringent criteria such as clearing of departmental examinations or mandatory training before grant of MACP can also be considered by the government.
3. Withholding of annual increments in the case of those employees who are not able to meet the benchmark either for MACP or a regular promotion within the first 20 years of their service.

VII. The pay structure could be revised periodically, at more regular intervals, say annually, without putting an undue burden on the public exchequer every ten years, as is the case now.

VIII. INDIAN RAILWAYS

1. **Special Train Controllers' Allowance** of ₹5,000 per month to Section Controllers and Dy. Chief Controllers. The allowance will increase by 25 percent each time DA rises by 50 percent.
2. **ASMs** in GP 2800 should first be upgraded to GP 4200 and then fitted in the revised Pay Matrix. The cadre will then have 60 percent posts in Level 6 and 40 percent in Level 7. The designation of ASM may be abolished
3. **Special Running Staff Allowance** should be raised to ₹2,250 pm for Loco Pilot Mail/Express, ₹1,125 pm to Loco Pilot Passenger/Motormen and ₹1,125 for Guard Mail/Express. In addition, Loco Pilot Goods and Sr.Passenger Guard should also be extended this allowance at the rate of ₹750 pm. This will incentivize the movement of LP Shunter-I to LP Goods. As before, Dearness Allowance will be payable on this allowance. However, it will not count for pensionary benefits.
4. **Commercial Staff:** Employees in GP 1900 should be upgraded to GP 2000; those in GP 2400 should be upgraded to GP 2800 and then placed in the appropriate level in the new pay matrix.
5. **Accounts:** In line with our recommendations for organised Accounts cadres, it is further recommended that employees in GP 4800 should be upgraded, on completion of four years' service, to the existing GP 5400 (PB-2), viz., Level 9 in the pay matrix, on a non-functional basis.
6. All four categories of Track Maintainers should be granted a risk and hardship allowance based on the Cell R3H2 (₹2,700 pm) of the Risk and Hardship Matrix

7. Technical Supervisors

- I. Considering the feedback provided by the Railway Board and upon close analysis of the cadre structure, we are of the view that there is some element of stagnation at the GP 4600 stage. Accordingly, it is suggested that Railway Board should consider enhancing the number of posts in the next higher level
 - II. Considering the arguments proffered by the railway ministry, no change is recommended in the classification of these posts.
8. Chemical and Metallurgical Assistants should be upgraded to GP 4600, Chemical and Metallurgical Superintendents to GP 4800, and Assistant Chemist and Metallurgist to GP 5400 (PB-2)
 9. Traffic Assistants, Metro Railway should be upgraded to GP 2400 and then placed at the appropriate level in the pay matrix.
 10. Dressers may be granted the pay level corresponding to GP 2000 after acquiring the revised qualification (Class XII) or on completion of five years in the pay level corresponding to GP 1800, whichever is earlier.
 11. The Commission observes that this is a fit case for harmonisation and recommends GP 4600 for Dieticians in Railway. The promotional posts of Senior Dietician (present GP 4600) and Assistant Dietetic Officer (present GP 4800) will also be upgraded to GP 4800 and GP 5400 (PB-2) respectively.
 12. The Commission recommends that the post of Junior Radiographer (GP 2000) be merged with Radiographers and placed in GP 2800.

IX. ALLOWANCES

- a) Separate object head for budgeting and accounting should be used to record the expenditure on allowances.
- b) Allowances that are in the nature of a fixed amount but not DA indexed have generally been raised by a factor of 2.25.
- c) Allowances that are in the nature of a fixed amount but are partially indexed to DA have generally been raised by a factor of 1.5.
- d) The quantum of percentage based allowances has been rationalized by a factor of 0.8.

1. National Holiday Allowance

For first two holidays working in a year – Rs.384

For 3 to 5 holidays working in a year – Rs.477

For 6 to 8 holidays working in a year – Rs.630

The rate of allowance will further increase by 25 percent each time DA rises by 50 percent.

2. HRA rationalized to 24 percent, 16 percent and 8 percent of the Basic Pay for Class X, Y and Z cities respectively.

HRA will be revised to 27 percent, 18 percent and 9 percent when DA crosses 50 percent, and further revised to 30 percent, 20 percent and 10 percent when DA crosses 100 percent.

Add-ons like NPA, MSP, etc. should not be included while working out HRA.

3. Breakdown Allowance—Ministry of Railways has referred this allowance to the Commission for consideration. In the Commission's view, responding to emergencies is part of the duties of any government servant. Hence, granting a separate allowance for this purpose does not appear justified.

4. Training Allowance

In the National/Central Training Academies and Institutes for Group 'A' officers – 24% of basic pay

In other Training Establishments – 24% of basic pay

The allowance will be payable to an eligible employee for a maximum period of five years only during the entire career, for which period the Deputation (Duty) Allowance will not be granted. Beyond five years, Training Allowance will not be granted, but Deputation (Duty) Allowance will be admissible.

5. Allowances related to Travel

Daily Allowance

a) Reimbursement of staying accommodation charges

(₹ per day)

Level	Ceiling for Reimbursement
14 and above	7500
12 and 13	4500
9 to 11	2250
6 to 8	750
5 and below	450

For levels 8 and below, the amount of claim (up to the ceiling) may be paid without production of vouchers against self-certified claim only.

The ceiling for reimbursement will further rise by 25 percent whenever DA increases by 50 percent.

For stay in Class 'X' cities, the ceiling for all employees up to Level 8 would be ₹1,000 per day, but it will only be in the form of reimbursement upon production of relevant vouchers.

b) Reimbursement of travelling charges

Level	Ceiling for Reimbursement
14 and above	AC Taxi charges up to 50 km
12 and 13	Non-AC Taxi charges up to 50 km
9 to 11	₹338 per day
6 to 8	₹225 per day
5 and below	₹113 per day

There will be no separate reimbursement of food bills. Instead, the lump sum amount payable will be as per Table below and, depending on the length of absence from headquarters,

i. Lump sum amount payable

(₹ per day)	
Level	Lump Sum Amount
14 and above	1200
12 and 13	1000
9 to 11	900
6 to 8	800
5 and below	500

ii. Timing restrictions

Table 2	
Length of absence	Amount Payable
If absence from headquarters is <6 hours	30% of Lump sum amount
If absence from headquarters is between 6-12 hours	70% of Lump sum amount
If absence from headquarters is >12 hours	100% of Lump sum amount

Absence from Head Quarter will be reckoned from midnight to midnight and will be calculated on a per day basis.

All the above provisions will apply to Railway personnel also.

6. **Leave Travel Concession (LTC)**

- Railway employees (and employees whose spouses are Railway servants) are made eligible
- No hometown LTC will be admissible to Railway employees, only "All India" LTC will be granted once in four years.
- For the grant of LTC, all passes for the current year will have to be surrendered.
- If the employee has already availed of a pass in any year, then LTC will not be allowed in that year.
- If both spouses are Railway servants, then surrender of passes of any one of them will suffice.
- For the purposes of this allowance, year means Calendar year.

7. **TA on Transfer & TA for Retiring Employees** should be paid at the rate of 80 percent of last month's Basic Pay. However, for transfer to and from the island territories of Andaman, Nicobar and Lakshadweep, CTG may continue to be paid at the rate of 100 percent of last month's Basic Pay.

Transport Allowance are recommended:

Pay Level	Higher TPTA Cities (₹ pm)	Other Places (₹ pm)
9 and above	7200+DA	3600+DA
3 to 8	3600+DA	1800+DA
1 and 2	1350+DA	900+DA

8. **Travelling Allowance:** It is suggested that Indian Railways reconsider its position regarding air travel to its employees, in light of the possible savings in terms of cost and man-hours, particularly after the pay revision as recommended by the Commission. The fact that additional seats will be released in trains for the public will be an added advantage.

9. **Children Education Allowance**

Component	Recommended rate	Remarks
CEA (₹ pm)	1500x1.5 = 2250	Whenever DA increases by 50%, CEA shall increase by 25%
Hostel Subsidy (₹ pm)	4500 x 1.5 = 6750 (ceiling)	Whenever DA increases by 50%, Hostel Subsidy shall increase by 25%

- Reimbursement should be done just once a year, after completion of the financial year
 - A certificate from the head of institution where the ward of government employee studies should be sufficient for this purpose.
 - The certificate should confirm that the child studied in the school during the previous academic year. The amount of expenditure mentioned, or the ceiling as mentioned in the table above, whichever is lower, shall be paid to the employee.
10. **Dearness Allowance:** Commission recommends continuance of the existing formula and methodology for calculating the Dearness Allowance.
11. **Family Planning Allowance** should be abolished.

12. Night Duty Allowance

- The present formulation of weightage of 10 minutes for every hour of duty performed between the hours of 22:00 and 06:00 may be continued;
- The present prescribed hourly rate of NDA equal to (BP+DA)/200 may be continued;
- This amount of NDA should, however, be worked out separately for each employee. With the computerization of pay rolls, working out the amount of NDA
- Automatically for each employee every month will not entail any difficulty. The existing formulation for giving same rate of NDA for all employees with a particular GP should be abolished.
- This formulation will extend to all employees across all ministries/departments who were already in receipt of Night Duty Allowance.
- A certificate should be given by the supervisor concerned that Night Duty is essential.

13. Over Time Allowance

OTA should be abolished (except for operational staff and industrial employees who are governed by statutory provisions), at the same time it is also recommended that in case the government decides to continue with OTA for those categories of staff for which it is not a statutory requirement, then the rates of OTA for such staff should be increased by 50 percent from their current levels.

14. PCO Allowance

Section Engineers and Sr. Section Engineers in level 7	6% of Basic Pay
Non-supervisory staff and Jr. Engineers up to level 6	12% of Basic Pay

X. INTEREST BEARING ADVANCES

S. No.	Name of Advance	Recommended Ceiling	Recommendations
1	PC Advance	₹50,000 or actual price of PC, whichever is lower	May be allowed maximum five times in the entire service.
2	HBA	34 times Basic Pay OR ₹25 lakh OR anticipated price of house, whichever is least	The requirement of minimum 10 years of continuous service to avail of HBA should be reduced to 5 years. If both spouses are government servants, HBA should be admissible to both separately. Existing employees who have already taken Home Loans from banks and other financial institutions should be allowed to migrate to this scheme.

XI. HOLIDAYS AND LEAVE

- CCL should be granted at 100 percent of the salary for the first 365 days, but at 80 percent of the salary for the next 365 days.
- Extension of CCL to single male parents is recommended

XII. FINANCIAL IMPLICATION

(₹ in crore)

	2016-17 (Without VII CPC)	2016-17 (With VII CPC)	Financial Impact	Percentage Increase
Pay	244300.00	283400.00	39100.00	16.00
Allowances				
HRA	12400.00	29600.00	17200.00	138.71
TPTA	9900.00	9900.00	0.00	0.00
Other Allowances	24300.00	36400.00	12100.00	49.79
Pension	142600.00	176300.00	33700.00	23.63
TOTAL:	433500.00	535600.00	102100.00	23.55